

Reed Paper Group In Britain Will Buy Largest Publisher

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LONDON, Jan. 23—The International Publishing Corporation, the largest publishing company in the world, is to be taken over by the Reed paper group.

International Publishing Corporation publishes The Daily Mirror, whose circulation of 5,130,000 is the largest in the Western world; and two Sunday papers, The People and The Sunday Mirror, which between them have a circulation of 10,546,000. In addition the company publishes some 300 magazines.

The Reed group has interests in paper, newsprint, paperboard, packaging and wall-paper. In a way, it is taking over a parent company. International Publishing owns 27 per cent of Reed's ordinary capital.

The deal, which was announced tonight, creates a group with a stock-market value of the equivalent of \$544-million. The assets of the two companies total \$996-million. The takeover is to be effected by an exchange of shares — eight Reed shares for 25 International Publishing shares.

The two companies have been associated for more than 50 years. But while Reed has been expanding internally and through major acquisitions, International Publishing has suffered heavy losses on its printing operations and a drop in profits on its women's magazines. Though the daily and Sunday papers sell widely, their growth has slowed.

There has been criticism of the corporation's decision to sell. The Sun, a daily paper, to Rupert Murdoch, an Australian publisher who has given it a tabloid format in competition with The Daily Mirror.

Hugh Cudlipp, chairman of International Publishing, was closely identified with the sale of The Sun. He became chairman of the corporation only after the board of directors suddenly removed Cecil King from the chairmanship in May, 1968. Mr. King had previously been chairman of both International Publishing and Reed. There are several directors on the boards of both companies.

The most powerful man in the British newspaper industry will now be S. T. Ryder, the 53-year-old chairman of Reed. He is to become chairman and chief executive of the combine, and Mr. Cudlipp is to revert to an editorial role as one of three

Mr. Ryder said: "There will be a high degree of autonomy, and the separate identity of I.P.C. will be insured. There will be complete security of editorial freedom."